

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GREEN-TAYLOR WATER)	
DISTRICT OF GREEN AND TAYLOR COUNTIES,)	CASE NO.
KENTUCKY, FOR ORDER APPROVING CONSTRUCTION,)	89-141
FINANCING AND CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY)	

O R D E R

On May 24, 1989, Green-Taylor Water District ("Green-Taylor") filed an application for a Certificate of Public Convenience and Necessity to construct a \$730,400 waterworks improvement project and for approval of its plan of financing for this project. Green-Taylor's application was made pursuant to KRS 278.023, which requires the Commission to approve the application within 30 days of satisfactory completion of the minimum filing requirements.

This project will provide service to 122 additional customers. Project funding includes a \$171,000 loan from the Farmers Home Administration ("FmHA"), a \$535,000 grant from FmHA, and \$24,400 from applicants for service in the proposed project area. The loan will be for a 40-year period at an interest rate of 5 percent per annum.

The chairman of Green-Taylor certifies that reliable and adequate service can be maintained throughout the expanded system after completion of the proposed construction. The Commission reminds Green-Taylor of its obligation to provide adequate and reliable service to all of its customers. The adequacy of the

expanded water distribution system after construction should be monitored. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Green-Taylor must take necessary actions to maintain the level of service in conformance with the regulations of the Commission.

Upon review of the record and being advised, the Commission finds:

1. Pursuant to KRS 278.023, the Commission has no discretionary authority to modify or reject any portion of this application. The application must be approved if the minimum filing requirements have been satisfactorily completed.

2. The minimum filing requirements were met in this case on June 20, 1989. Green-Taylor's chairman has certified that the project has been designed to meet the construction and operating standards set out in the Commission's regulations.

3. Green-Taylor should monitor the adequacy of the expanded water distribution system after construction. If the level of service is inadequate or declining, or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 6(1), Green-Taylor should take immediate action to bring the system into compliance with the Commission's regulations.

4. Green-Taylor should be granted a Certificate of Public Convenience and Necessity for the proposed construction project. The proposed construction financing plan with FmHA should also be approved.


5. Green-Taylor should file with the Commission, within 60 days of the date of substantial completion of this construction, a copy of the "as-built" drawings and a certified statement from its engineer that the construction has been satisfactorily completed in accordance with the contract plans and specifications.


BE IT SO ORDERED.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 6th day of July, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director